

COMMUNITY FUTURES GREATER TRAIL

Business Plan Outline

Your Guide to Success



By: Ian Thomas, Business Analyst
ian@communityfutures.com

John Reed, Entrepreneurial Services Coordinator
john@communityfutures.com

(Updated March 2012)

***Your Guide to Success* is designed to use as a complete reference for the layout and contents of your business plan. There are also a number of internet resources available to assist you in creating your own, unique business plan. Please review the Resources Section of this guide for more information on links to other free business planning sites.**

Throughout this document there will be examples, hints and suggestions to assist you in generating ideas and finding information.



Typically a business plan is created using a computer and spreadsheet software. However, if these tools are unavailable to you please ensure that your handwritten plan is neat and legible on loose leaf paper.

Make sure you have:

- a cover page with your name and contact information, including mailing address
- table of contents
- page numbering

Business Profile

The first page of your business plan should state that the document is a business plan and include the business name and proprietor(s) name.

Include:

- ⊕ Your Name Business Partner if applicable
- ⊕ Personal Contact Information including mailing address and phone number
- ⊕ Proposed Business Name
- ⊕ Proposed Business Location
- ⊕ Proposed Start up date of the business
- ⊕ Business structure (Limited Company, Partnership or Proprietorship)

Cover Page

Summarizes the business in a few short paragraphs. This page should include:

- ⊕ One or two paragraphs outlining your proposed business venture

Table of Contents

Using a Table of Contents, assign page numbers to your business plan and then list the headings of your report along with the page number in which they appear.

⊕ Use Your *Guide to Success*' table of contents below as an example of the layout.

Business Profile.....	2
Cover Page.....	3
Table of Contents.....	4
Business Overview	8
Business Motto	8
Business History (for existing businesses)	8
Business Goals (Key Initiatives, Objectives) and Implementation Plan	8
Location and Facilities.....	8
Major Strengths and Weaknesses	8
Products & Services	9
Description of Product or Service	9
Uniqueness of Product or Service.....	9
Future Products and Services.....	9
Suppliers.....	9
Production Plan.....	9
Competitive Production Advantage	9
Franchise Information	10
Industry Overview	11
Description of the Industry.....	11
Competition.....	11
Marketing & Distribution	12
Target Market and Analysis of Market, Marketing Survey.....	12
Signed Letters of Intent, Purchase Orders or Contracts	12
Marketing & Advertising	14
Sales Strategy	15
Purchase Process and Buying Criteria	15
Analysis of Competitive Position.....	15
Distribution Strategy	15
Competitive Analysis	16
Regulatory Issues.....	17
Health, Fire, and Safety Building Inspections	17
Business Licensing	17
Business Name Registration.....	17
Labelling Information.....	18
Intellectual Property Protection, Patents, Copyrights and Trademarks.....	18
HST/GST, WorkSafe BC and Revenue Canada Accounts	18
Risk Management	19
Risk Evaluation.....	19
Insurance Requirements and Proposed Coverage	19
Management & Staffing.....	20
Ownership and Organizational Structure	20
Personal Goals of Management	21
Management Resume	21

References of Management Experience	21
Partnership or Joint Venture Agreement.....	21
Day to Day Operations.....	21
Staffing.....	22
Labour Market Issues	22
Pricing.....	23
Pricing Strategy	23
Pricing and Margins.....	23
Financials.....	25
Management/Personal Financials	25
Personal Assets Brought into the Business.....	25
Personal Net Worth Statement.....	25
Personal Monthly Budget.....	25
Business Financials.....	25
Use and Source of Funds	25
One Year Cash Flow Projection Statement	25
Income And Expense Assumptions Statement.....	25
Examples	26
Marketing Survey.....	27
Letter Of Intent.....	28
Letter of Reference	29
Schedules	30
<i>Schedule 1, Personal Investment</i>	31
<i>Schedule 2, Use & Source of Funds</i>	32
Schedule 3 Personal Financial Statement.....	33
Schedule 4 Personal Monthly Budget.....	34
Instructions for Cash Flow	35
Schedule 5 Cash Flow Income & Expense Assumptions.....	36
Schedule 6 One-Year Cash Flow Projections Statement	37
Resources	38
Business Planning	38
Statistics	38
Legal Information	38
Contacts.....	39
Local Business and Municipal Services	39
Insurance Agents, Brokers & Consultants.....	39
Zoning Questions and Business Licensing.....	39
Utilities.....	40
Chambers Of Commerce.....	40
Provincial Government Contacts/Web Information.....	41
Corporate Registry	41
Ministry Of Economic Development Venture Capital Programs	41
Ministry Of Finance	41
Ministry Of Labour And Citizens' Services Employment Standards Branch.....	41
Service BC.....	42
Small Business BC	42
Federal Government Contacts/Web Information	42
Canada Revenue Agency.....	42
Canada Business.....	43

Canadian Youth Business Foundation 43
Industry Canada – Federal Incorporation..... 44
Service Canada..... 44
Western Economic Diversification Canada 44

Business Overview

Business Motto

- ⊕ It is important to have a phrase that captures the essential benefit of your business from the customer's perspective and it should be as short and concise as possible.

Google's Motto: *"Don't be evil."*

Business History (for existing businesses)

- ⊕ If you are operating an existing business, briefly describe when and by whom the business was started and any major changes that have occurred in the business.
- ⊕ If this is a new business highlight some of the reasons you would like to start this specific business.

Business Goals (Key Initiatives, Objectives) and Implementation Plan

- ⊕ Short and long term objectives should be stated along with who is responsible for implementation and the time frame.

Location and Facilities

- ⊕ Include the address a description of the site, the size of the facility, equipment and lease arrangements. Discuss the strengths and or weaknesses of the location and facility under the next heading.

Major Strengths and Weaknesses

- ⊕ List some major strengths you or your business will have.
- ⊕ List the major weaknesses and describe how you will strive to overcome these.
- ⊕ What about the internet? Would a business web site be a strength for your business or help overcome a weakness?

Products & Services

Description of Product or Service

- ⊕ Describe exactly what it is that you will be providing as a product or service.
- ⊕ What are the key features and benefits?
- ⊕ Why will customers buy your product and/or services instead of a competitor's.

Uniqueness of Product or Service

- ⊕ Describe how your product or service will differentiate from the competition.
- ⊕ Or if it is a totally new product or service to the area provide a further explanation.
- ⊕ It is very important that your product or service be unique in some way.

Future Products and Services

- ⊕ Do you have any plans to update existing products and /or services in the next three to five years? If yes provide a brief description.

Suppliers

- ⊕ List all major and minor suppliers.
- ⊕ Match the suppliers to the products or services you will be receiving from them.
- ⊕ What will payment terms be?
- ⊕ Can orders be made from your suppliers on-line?

Production Plan (if applicable)

- ⊕ Applies only to manufacturing operations.
- ⊕ Describe the manufacturing process.
- ⊕ What is the production cost per item?
- ⊕ What is the size and cost of the physical plant?
- ⊕ What are the land requirements and costs?
- ⊕ The business will require what machinery and equipment and what are the costs?
- ⊕ How much raw material will be stored on the site?
- ⊕ How much completed inventory will be stored on the site?

Competitive Production Advantage

- ⊕ Do you have specialised skills, technology, access to cheaper materials or lower overhead costs?

Franchise Information (if applicable)

- ⊕ If your proposed business is to be a franchise include a copy of the franchise agreement with the business plan.
- ⊕ Also include the Franchisee's initial and ongoing costs and list the benefits provided by the Franchiser.

Industry Overview

Description of the Industry

- ⊕ Places the proposed business in context.
- ⊕ Who is the competition?
- ⊕ Is the strongest competition local or from outside the area?
- ⊕ Are the strongest competitors large corporations or independent small business?
- ⊕ What is the overall size of the industry?
- ⊕ Is the industry in a growth stage or is it a mature industry?
- ⊕ How will new technology affect the industry?
- ⊕ How will national or local trends, such as changing demographics affect the business?

Competition

- ⊕ Provide names, addresses and a description of the operation for all direct competitors
- ⊕ Provide size and /or present market share if possible.
- ⊕ What are your competitors' strengths and weaknesses?
- ⊕ What areas do they specialise in?
- ⊕ How will your competitors react when you start - will they cut prices?

Marketing & Distribution

Defining the Target Market and Analysis of the Target Market

- ⊕ Who, what, when, where, why, how, how much.
- ⊕ Who will purchase the product or service? Are they on-line?
- ⊕ How do they presently purchase? Would they purchase over the internet?
- ⊕ What is the size of the present market (how much)?
- ⊕ What is the potential size of the market (how much)?
- ⊕ From where do they presently purchase?
- ⊕ Why is there a demand or potential demand for your product or service?
- ⊕ Where do they live, what are their spending patterns, is the number of customers growing or shrinking, are they spending more or less per capita?

These questions will vary depending on the type of business. In order to answer these questions a Marketing Survey, is necessary. An example of a Market Survey can be found on page 24.

A marketing survey contacts current and/or potential customers. Other market research would include reviewing research reports and statistics prepared by others, magazine and newspaper articles and conversation with experts in the industry.

There are many good books on marketing and marketing surveys in Community Futures Regional Business Library. You can search the books online through this website. A good book on Marketing Surveys that you may wish to refer to is Look Before You Leap: Market Research Made Easy published by the Self Counsel Press.

Signed Letters of Intent, Purchase Orders or Contracts

- ⊕ These documents can be signed and are non-binding letters that prospective customer(s) will show varying degrees of enthusiasm for your product or service.
- ⊕ They also can be signed orders for the purchase of goods or services for delivery on a future date.
- ⊕ Page 26 provides an example of a letter of intent that you can customize for your prospective customer to sign.

A New Millennium Marketing Consideration

How about Doing Business On-Line?

Do you think setting up a web site on the internet will help your new business?
The advantages of having a web site for your business include:

- G Greater access/exposure to more customers (world wide potential).
- G Leveraging traditional advertising: for example, including your email and web site address on brochures and business cards.
- G Advertising products, services, special promotions, sales, etc on-line.
- G Lower lead costs: cost of new customers is lower than traditional media.
- G Lower staffing costs: products and services can be available 24x7 without a retail location.

Plan your web site to fit your target market. Ask yourself, what is my on-line objective? What is the purpose of my web site? How will it meet my customers expectations?

What Can my Web-Site do? It can:

- G Give product or service information. For example, an on-line brochure or newsletter. create a periodic newsletter for your customers and email it to them.
- G Offer customer support
- G Feature an up-to-date catalog including thousands of products, prices, descriptions and photos at a cost far below that of printing and distributing printed copies. Note that the larger your site, the more it'll cost.
- G Allow for direct sales and direct advertising (emailing information about new products and services to your on-line customers is fast, effective and cheap).
- G Whatever the purpose, once you get people visiting your web site, try to get their name, address, phone number, etc. so that you can take advantage of a steady source of potential customers

How much will it Cost?

- G You can get a fully functional web site developed by an independent web site designer for about \$1000, or you may choose to build your own with CFDC assistance (consultations and web based workshops). Be sure to ask a designer if there are any special "web site hosting" considerations that might up your costs.
- G Visit other web sites to see what features they have that you might want on your own site. Then you can either build these features into your site yourself or ask your web site designer to do it. Regardless, your site should be easy to read and fast to load.
- G One of the best ways to check that you have an effective site is to ask a real internet novice to log onto your web site with you looking over their shoulder and taking careful notes. Whatever you think about your business web-site, keep in mind that its how site meets your customers' needs and expectations that really matters. Once you've established that your customers are on the net, an attractive, well laid out web site, focused on meeting your customer's requirements, will keep them coming back and build your business' bottom line.

Marketing & Advertising

Key items to consider:

- G When we buy a product we want to know what is in it for us. Also known as features and benefits, you need to be aware of the customer's perception of your product / service.
- G There are only two reasons why we buy. The service or product needs to:
 - o Help solve a problem or,
 - o Make us feel good.
- G When you sell on price you die on price. Sell based on a better product, better service, a better warranty etc.
- G Ask yourself ? "Why should a customer purchase from me for the rest of their life?"
- G We are exposed to approximately 800 advertisements per day.
- G The majority of these advertisements do not sell the benefit(s) of a business' product(s) or service(s).
- G What is your plan to market your product?
- G Will having a web site for your business help your advertising? Sales?
- G How will you get your product (distribute) to the customer?
- G Provide details on how your advertising dollars will be spent.

Remember to be consistent with all advertising. Use a common logo, similar print style and identical colours on all advertising whether it is business cards, stationery, flyers, newspaper ads, car door signs, exterior signs etc. Customers will recognise your company even if they only briefly glance at the particular advertisement.

Always remember to state the benefit(s) gained by your customer in the advertisement. Look at competitors' advertising in your industry. Are they communicating the right message?

Sales Strategy

While typical business planning includes considerable market research and allocation of resources to advertising it is assumed that if everything is planned sales will just happen. This does not usually happen and in many cases is the downfall of the business.

- ⊕ Who will be responsible for the day to day job of selling the business and its products and/or services? If it is management, do you have the necessary experience? If not, how will you get the necessary training?
- ⊕ If sales will be handled by staff what is the hiring plan, do you have a customer service policy and is it visible to the customer?

The best case scenario is for management to be involved in sales. Customers like dealing with small business because they have access to management.

Purchase Process and Buying Criteria

From the marketing survey, information regarding the importance in the buying decision of items such as price, quality and service support will be tabulated.

Briefly discuss how the purchase process and buying criteria may vary by each of the market segments or product segments.

Analysis of Competitive Position

In what ways will you have an advantage over your competitors and in what ways will you be at a competitive disadvantage?

In which market segments and product segments will you have the greatest competitive advantage?

Distribution Strategy

- ⊕ How will you distribute your products and/or services to your target markets?
- ⊕ Where will your customers be able to buy your product and/or service?
- ⊕ How will you provide customer service and after sales support?

What Advantage Do You Offer?

- G “Think like a customer” when you look at your product/service. What do they see?
- G What is your primary product/service?
- G What are your other products/services?
- G What makes your product/services/unique?
- G Who is your customer?
- G Why do they need your product/services?
- G What needs are you satisfying?

Competitive Analysis

Look at similar or competitive products/services to yours. Look at the following categories and rate your product/service. This is also a good time to talk to the sales people.

This matrix will help you identify areas where you are strong and the areas that need attention.

- ⊕ There may be other elements pertinent to your situation which should also be included. Do one analysis per competitor identified in the region.
- ⊕ Compare your strengths and weaknesses with your competitors.

On a Scale of 1 to 10:

Category	Competitor	My Product / Service
Price		
Quality		
Product/Service Selection		
Customer Service		
Reliability		
Location / Accessibility		
Business Image		
Advertising/Web		
Packaging (environmentally friendly?)		
Delivery Time		
Point of Sale Display		
Distribution		
Other:		
Other:		

Regulatory Issues

It is extremely important that you understand all regulatory/ government requirements before starting your new business. There are two reasons for this:

1. Once you are in business you will find it very difficult to find the time to research and fill out the necessary applications.
2. If you are slow to satisfy these requirements the applicable government agencies have the power to shut your business down.

Health, Fire, and Safety Building Inspections

Ensure that the building where you intend to house your proposed business meets all the requirements, that the City, or applicable Authority requires.

Business Licensing

- ⊕ Check out what types of business licenses are required and the cost for your business. Do you need a city, village or regional license?
- ⊕ Ensure that you can obtain a license for your proposed business.
- ⊕ If you are going to be operating your business throughout the Greater Trail area, a regional business license is available at less cost than purchasing a license in each town or city.
- ⊕ If you are going to be operating your business in an unincorporated area (Regional District Area A & B) you do not require a business license.
- ⊕ Home based locations must meet municipal zoning requirements, check with your City Hall or Village Office for details.
- ⊕ Participation in trade fairs and shows does not normally require a business license.

Business Name Registration

- ⊕ If you are going to be operating the business under any name other than your own a search should be done to make sure that the name is available and (if it is available) protect it by registering that name.
- ⊕ If you are hiring employees, and/or require GST/HST, export or import, or incorporating you will need to register your business name in order to acquire a business number.
- ⊕ Forms necessary to search and register the business name are available online www.smallbusinessbc.ca, the BC Access Centre and Community Futures. There is fee for both the first step, business name reservation (approx. \$30 + tax) and for the second step, business name registration (approx. \$40 + tax).
- ⊕ All functions at the BC Service centre can now be completed online by the client. Before submitting your name approval form, search online at www.bcregistryservices.gov.bc.ca/nro, free of charge, to search that the name you have chosen is available and not being used by another BC incorporated company. Refer to your business name reservation request instructions for details.

Labelling Information

- ⊕ If you are manufacturing a product in some cases it will need to meet government specifications. These products will have to have a label identifying which specifications the product meets. An example would be products meeting CSA specifications.
- ⊕ Also some products such as foods must carry a label that identifies the components and the amount of each item.

Intellectual Property Protection, Patents, Copyrights and Trademarks

Will your products, services or processes require protection? Do you have a plan and the necessary funds to accomplish this? Do you have any existing proprietary advantages?

HST/GST, WorkSafe BC and Revenue Canada Accounts

- ⊕ GST participation is optional if your sales, within any 12-month period (not calendar year), are less than \$30,000. It still may be financially beneficial to register, because all GST paid in the past on items you bring into the new business is refundable.
- ⊕ If you are going to be paying yourself a wage or hiring staff, source deductions (EI, CPP, etc . . .) must be extracted from the payroll each month and forwarded to Revenue Canada. Businesses are now given a BIN number (Business Identification Number) for GST and Payroll deduction identification purposes.
- ⊕ Worker Safe BC Compensation is available to business owners and coverage is mandatory for every employee.

Risk Management

Risk Evaluation

- ⊕ What are the major threats or risks to your business? Examples of major risks would be you getting sick or injured or a strike by the transportation industry.
- ⊕ What are the market risks? Examples would be a strike or shut down by a major employer, a recession and extreme weather conditions.
- ⊕ Identifying these major risks are important and then outline what your response would be should these identified risks occur.

Insurance Requirements and Proposed Coverage

- ⊕ To determine the insurance requirements and cost for the proposed business contact a reputable insurance agent who specializes in business insurance. You must consider a loss of the items in your possession and the liability aspect.
- ⊕ If your business is home-based talk to the insurance agent for your residence regarding possible changes to your homeowner's policy.
- ⊕ If you will be using your personal vehicle for business, even occasionally, consider putting business coverage on it. It is inexpensive and can be used as a business expense.

Management & Staffing

Ownership and Organizational Structure

- ⊕ Who are the owners (yourself, any partners, etc.), are they active in the business?
- ⊕ who has signing authority? and
- ⊕ what percentage of the business do they own?
- ⊕ What is the legal structure of the business?
- ⊕ Is there partnership and/or key person insurance in place?

Choosing a Business Structure

Choosing a business structure is one of the most important decisions you will make as an entrepreneur. There are three basic structures: sole proprietorships, partnerships, and corporations.

- G Sole Proprietorship: A sole proprietorship typically is a business operated by an individual. It is the simplest form of business structure. The proprietor owns the business assets and is personally liable for any debts incurred by the business. Any profits or losses from the business are combined with other income of the individual, and reported on the personal income tax return for the calendar year in which the fiscal year of the proprietorship ends.
- G Partnership: A general partnership is formed by two or more individuals who together carry on a business for profit. There are three basic steps to the formation of a partnership: a registration of the partnership where required under provincial law, the creation of a partnership agreement, and the transfer of capital from the individuals to the partnership. The net profits of the partnership are allocated among the partners based on their right to share income. A partner's share of profit or loss is reported on the income tax return for the year that includes the year-end of the partnership.
- G Corporation: A corporation is a separate legal entity incorporated under provincial or federal law. This can provide protection from both creditors and lawsuits. This idea is called limited liability (i.e., limited to the assets of the corporation and the share capital of the shareholders). The initial legal costs of incorporating can run between \$1000 to \$1200.
- G Deciding on your business structure should be made from both a legal and a taxation viewpoint. Talk to a lawyer.

Personal Goals of Management

List your personal goals and describe how the proposed business will allow you to achieve these goals. It is important that you enjoy working at your proposed business as you will be spending many hours doing so. It is also important that this business immediately or eventually allows you to achieve your personal goals.

Management Resume

- ⊕ List all work experience.
- ⊕ List all education.
- ⊕ List all relevant hobbies and volunteer work.
- ⊕ Relate how experience gained during each of your occupations, education and hobbies or volunteer work will help you successfully operate your proposed business.
- ⊕ List other pertinent personal information such as age, marital status, dependants etc.

References of Management Experience

Draw up a letter with your name, address and a description of your proposed business. Take this letter around to friends and any high profile members of the community that know you. Ask these individuals if they feel that your proposed business is a good idea and if you have the skills and personality to run it. If so ask them to sign your letter of reference to this effect. Please see page 26 for an example of a Letter of Reference.

Partnership or Joint Venture Agreement (if applicable)

- ⊕ If you are going to have a partner or partners, or be operating in conjunction with, or have a business relationship with another individual or business, you must have a proper written agreement in place. These agreements are available from Law firms, stationery stores, libraries and bookstores and Community Futures' business library.
- ⊕ This agreement should outline all of the responsibilities and compensations for undertaking these responsibilities for each partner.
- ⊕ It should also contain a procedure for the orderly dissolving of the partnership should the partners agree to disagree.

Day to Day Operations

Go into detail on the facility, staff, hours worked, responsibilities, hours of operation, your role other than as manager.

Staffing

Describe the management and staffing structure of the business. What is the present level of staffing and what will it be over the next three years? What are the key positions and what is the reporting structure? What are the wage rates and what training will be provided? How will key staff be recruited when there is turnover or expansion? Attach resumes for all key staff.

Labour Market Issues

Discuss any factors that could limit your ability to hire, fire and retain staff. Refer to BC Employment Standards, WorkSafeBC and Service Canada for employer and employee obligations, rules and requirements.

Pricing

Pricing Strategy (Image and price consideration)

- ⊕ How will the price of your products compare to competitors?
- ⊕ Will you be looking to maintain margins or looking to sell
- ⊕ Do you want to be perceived as a discounter or a high-end business emphasising quality and service?

Pricing and Margins (include a price list)

To establish a price for your proposed product or service the following items have to be established:

- ⊕ Is there any competition, if so what is the competition doing?
- ⊕ What is the market supply and demand?
- ⊕ What image will your product or service project?
- ⊕ What is your cost of goods sold?
- ⊕ What is your overhead cost (day to day costs)?
- ⊕ What is the minimum you will work for? Assign this wage to the applicable area; either cost of goods sold, overhead or both.
- ⊕ How much profit will you want? Your Business requires profit for:
 1. Building your cash reserves for increased working capital.
 2. Building your cash reserves for periods of slow sales.
 3. Providing cash for business expansion
 4. Giving you an income over and above the minimum you will work for.

How to Establish the Right Price:

To find out the end price of your product you must figure out what the competition charges for a similar product and, if there isn't any competition, what the market will bear. This can be as simple as asking potential customer what they would pay for it.

Then you must establish if you can sell the product for this price while covering your costs and overhead and generate a reasonable profit.

To establish your costs and overhead you need to determine the cost of goods sold plus establish what cost to assign to your own labour. This should be the minimum amount you will accept.

The profit should include an additional amount for yourself plus an amount for the expansion of your business and additional money required for working capital.

Example:

-Cost of the item sold	\$20.00
-Overhead costs assigned to this item	\$5.50
-Your labour costs per item	\$1.50
-Profit per item (\$2.00 per item for you, \$4.00 for your company)	\$6.00
-Total sale price	\$33.00

If the \$33.00 sale price is competitive, the \$6.00 profit is adequate and you are providing extra value over the competition in areas such as better service etc . . . a reasonable market share is obtainable.

Financials

Management/Personal Financials

Personal Assets Brought into the Business, See Schedule 1, page 28

- ⊕ May be in the form of cash, tools, equipment, vehicles, inventory, fixtures etc.

Personal Net Worth Statement see Schedule 3, page 30

- ⊕ A comprehensive list and valuation of everything you owe and a comprehensive list of your financial obligations. (What you own less what you owe equals your net worth.)

Personal Monthly Budget see Schedule 4, page 31

- ⊕ A detailed list of your typical monthly expenses that includes totals. This is necessary to know what the minimum wage your new business must provide for you.

Business Financials

Use and Source of Funds See Schedule 2, page 29

- ⊕ What will be the funds required to start your business be used for and where will they come from? i.e., Personal contribution of cash and/or equipment, tools etc.. bank financed, other funding sources?

One Year Cash Flow Projection Statement See Schedule 6, page 34

- ⊕ A detailed cumulative listing of your projected monthly sales and expenditures by month for the first 12 months of your business.
- ⊕ This is necessary so that you have an estimate of what the cash requirements will be before starting your business. Many businesses fail because they are undercapitalized so estimating future capital requirements as accurately as possible is very important.

Income And Expense Assumptions Statement see Schedule 5, page 33

- ⊕ You must make assumptions, based on facts, when estimating potential sales and in some cases, expenses. Please provide these in a list explaining these assumptions as they appear on the one year Cash Flow Projection Statement.

Examples

Marketing Survey

Hello:

My name is John Doe and I am researching the feasibility of opening a children's clothing store in the Greater Trail area. The name of the proposed store would be Kidder's Klose.

In order to research the feasibility of my proposed business and establish how this business can best serve the areas needs I would like to ask you a few questions.

1. How many children do you have between the ages of 2 and 12? _____
2. If you do not have children of your own do you routinely purchase clothes for this age group who are grand kids etc.? (circle answer) Yes | No
3. What percentage of your children's clothes are you presently purchasing locally?
(circle answer) 25% | 50% | 75% | almost all
4. What factors are most important to you in your decision to purchase?
(Number blanks in order of preference)
___ Quality ___ Price
___ Selection ___ Style
___ Other _____
5. What factors are the biggest problem with purchasing locally?
___ Quality ___ Price
___ Selection ___ Style
___ Other _____
6. Do you feel there is a large need for another children's clothing store in the Greater Trail area?
(circle answer) Yes | No
If yes, what specific areas would you like to see addressed?

Thank you for your time and input it is very much appreciated!

Letter Of Intent (non-binding)

Hello:

My name is John Doe and I propose to open a children's clothing store on Bay Avenue in downtown Trail. The proposed name of the business is Kidder's Klose.

This business will carry all types of children's clothing and will target children from the ages of 2 to 12 years of age.

All clothing will be constructed with quality workmanship and fabrics and will carry a money back guarantee. Prices will range from midpoint for quality generic clothing to expensive for name brand latest fad or trend clothing.

The purpose of this letter is to identify whether there is a need in the community for this type of store.

Do you;

1. Feel there is a need for a store of this type in the greater Trail area? Y / N
2. Feel you personally would support this proposed store? Y / N

Your response to these two questions plus any other relevant comments will be appreciated.

Comments

Name

Address

Telephone

Letter of Reference

Hello:

My name is John Doe and I propose to open a children's clothing store on Bay Avenue in downtown Trail. The proposed name of the business is Kidder's Klose.

This business will carry all types of children's clothing and will target children from the ages of 2 to 12 years of age.

All clothing will be constructed with quality workmanship and fabrics and will carry a money back guarantee. Prices will range from midpoint for quality generic clothing to expensive for name brand latest fad or trend clothing.

Do you;

1. Feel there is a need for a store of this type in the greater Trail area? (circle one) Y / N
2. Feel that I would be suited to operating a store of this type? (circle one) Y / N

Your comments on why I would be well suited to run this type of business plus what areas I need to improve my skills in would be appreciated.

Your response to these two questions plus any other relevant comments will be appreciated.

Comments:

Name:

Address:

Telephone:

Schedules

- G The following schedules are to be completed by applicants of Self Employment Program Business Implementation funding.

Schedule 2, Use & Source of Funds

Please provide a detailed list of costs that must be incurred in order to get your project started:

Fixed Assets	Equipment	\$ _____
	\$ _____
	Vehicles	\$ _____
	\$ _____
	Land & Building	\$ _____
	Other:	\$ _____
	Inventory	\$ _____
	Operating	\$ _____
	TOTAL _____	\$ _____

Provide information on how you plan to finance the above requirements:

Bank Loans: _____	\$ _____
_____	\$ _____
Personal Investment _____	\$ _____
Supplier Credit _____	\$ _____
Other: _____	\$ _____
_____	\$ _____
TOTAL	\$ _____

Schedule 3 Personal Financial Statement

Name: _____ Date of Birth: _____

Address: _____

SIN: _____ How long at present address: _____ Rent: _____

Own _____ Phone no.: _____ Bank: _____

Last employer: _____ How long: _____

Occupation: _____ Marital Status: _____ Dependents: _____

Spouse: _____ Date of birth: _____ SIN: _____

Employed by: _____ Occupation: _____

ASSETS

LIABILITIES

				Payment	Balance owing
Cash	_____	Bank loans	_____	_____	_____
Bank accounts	_____	Mortgages	_____	_____	_____
Life insurance	_____	Rent	_____	_____	_____
Vehicle _____	_____	Credit cards, list:	_____	_____	_____
Vehicle _____	_____	_____	_____	_____	_____
Investments	_____	_____	_____	_____	_____
Receivables	_____	_____	_____	_____	_____
Real Estate	_____	_____	_____	_____	_____
RRSP's	_____	Other obligations, list:	_____	_____	_____
Other _____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	TOTAL Payments	\$ _____	_____	_____
		TOTAL Liabilities		\$ _____	_____
TOTAL assets \$ _____		NET WORTH (=Assets - liabilities)		\$ _____	_____

I (We), the undersigned declare that the statements made herein are for the purposes of obtaining approval for the Self Employment Program and are to the best of my (our) knowledge complete and correct. I (We) hereby authorize the Community Futures Development Corporation of Greater Trail to conduct a credit investigation.

X _____
Signature required

Schedule 4 Personal Monthly Budget

Income

EI	_____
Spouse’s employment	_____
Other income	_____
TOTAL income	_____

Expenses

Rent or Mortgage	_____
Loan payments (total if more than one)	_____
Credit card and other payments (total)	_____
Food	_____
Utilities (total if more than one)	_____
Taxes	_____
Gifts	_____
Clothing	_____
Medical including prescription drugs	_____
Dental and optometrist	_____
Vehicle maintenance and fuel	_____
Children’s activities (sports, clubs, etc.)	_____
Travel and holidays	_____
Entertainment	_____
Babysitting	_____
Alcohol and cigarettes	_____
Insurance (house, life, vehicle etc.)	_____
Education (include computers, software, school supplies)	_____
Donations	_____
Other	_____
Other	_____
TOTAL expenses	_____

Total income less total expenses *\$ _____

*This amount will indicate how much if any your new business will have to provide on a monthly basis in order for you to survive. For expenses that you only pay on a yearly or quarterly basis, break these down to monthly figures. Example if your water-garbage-sewer bill is paid yearly divide the total by 12 to obtain a monthly figure.

Instructions for Cash Flow

1. The key thing to remember is that you are NOT trying to determine a profit or loss yet. You are trying to predict the timing of cash in or out of your bank account.
2. Don't *spread* costs evenly over the year. For example, if insurance costs \$1,200 per year and is payable in May, put the whole \$1,200 in that month. do not put \$100 each month. However, some insurance companies finance over a three-month period so be sure to enquire as this may increase your cash flow initially.
3. Keep in mind the timing of collections on your accounts receivable (if you have any). If you offer 30 day terms, be sure to show the cash received in the month **following** the sale.
4. As back up for cash flow, make an “assumptions” sheet (schedule 5). Indicate such things as costs per pound and pounds used, wagers per hour and hours required, etc... . If you're service based it may be easier to examine income potential (sales) on a daily or weekly basis to project the total monthly income target. You may find it useful to record your assumptions while completing your cash flow projections.
5. The cash flow is an important first step in preparing your entire financial forecast. The data collected here is used on balance sheet and income statement forecasts also.
6. Compare the expenses you marked on your checklist to be sure you have remembered everything.
7. Do the cash flow for 12 consecutive months. Once finished, add the columns top to bottom and the rows left to right.
8. **Remember**, if you need any guidance while completing this form, the CFDC staff would be happy to assist you.

Schedule 6 One-Year Cash Flow Projections Statement

This following is an example only. Please use the Cashflow Projection worksheet supplied at the orientation session or download a copy from Community Futures' website.

PROJECTED BUSINESS CASHFLOW -YEAR 1													
	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
CASH IN													
Cash sales													0
APR Collections -30 days													0
APR Collections -60 days													0
Sales of Assets													0
Personal Cash Investment													0
Term Financing													0
Total Cash In	0	0	0	0	0	0	0	0	0	0	0	0	0
CASH OUT													
Advertising and Promotion													0
Auto and Truck													0
Bank Charges													0
Employee Wages/Benefits (13%)													0
Insurance													0
Legal and Accounting Fees													0
Utilities													0
Material Inventory													0
Miscellaneous (Purchase Food Costs)													0
Office Expenses													0
Owner's Drawings													0
Purchase of Fixed Assets													0
Rent and Utilities													0
Repairs and Maintenance													0
Supplies and Tools													0
Taxes and Licenses													0
Travel and Entertainment													0
Other													0
Total Cash Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SUMMARY													
Total Cash In	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Cash Out	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Monthly Surplus or Deficit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Month Start Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Month End Balance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Resources

Business Planning

www.bdc.ca - BDC Business Plan Templates

www.scotiabank.com - Scotia Plan Writer for business

www.tdcanadatrust.com - TD Canada Trust Business Planner

www.rbcroyalbank.com - Create the Plan - RBC Royal Bank

www.cibc.com - Your Guide to Business Planning, CIBC

www.obp.cbdc.ca - Online business planner from CBDC

www.cybf.ca - CYBF interactive business planner

www.bplans.com - Sample business plans can be viewed online for free

www.entrepreneurs.suite101.com/article.cfm/business_plan_updates_and_links - Sample business plans can be viewed online for free

Statistics

- ⊕ The Regional District of Kootenay Boundary, most municipal offices, and their websites provide basic demographic information.
- ⊕ Stats Canada www.statcan.gc.ca/start-debut-eng.html and BC Stats www.bcstats.gov.bc.ca provide information from census data.
- ⊕ Real Estate associations (web sites) provide information on home sales, growth etc...
www.bcrea.bc.ca/

Legal Information

The Business Law Clinic (BLC) at the University of Victoria provides legal information on matters that include (but are not limited to):

- ⊕ Incorporation
- ⊕ Financing
- ⊕ Charitable Registration
- ⊕ Intellectual Property Protection
- ⊕ Shareholder Agreements
- ⊕ Franchise Agreements
- ⊕ Partnership Agreements
- ⊕ Contracts
- ⊕ Business Liability
- ⊕ Employment Law
- ⊕ Government Regulation
- ⊕ Taxation

These services are provided free of charge, for more details visit: http://law.uvic.ca/blc/our_services.php

Visit www.communityfutures.com for more links to business information.

Contacts

LOCAL BUSINESS AND MUNICIPAL SERVICES

COMMUNITY FUTURES DEVELOPMENT CORPORATION OF GREATER TRAIL
General Inquiries..... 250-364-2595 ext. 23
www.communityfutures.com

INSURANCE AGENTS, BROKERS & CONSULTANTS

FALKINS INSURANCE GROUP250-367-9414
www.falkins.com

INSURANCE CORPORATION OF BRITISH COLUMBIA
General Inquiries1-800-663-3051
Trail Claim Centre.....250-368-5261
www.icbc.com

KOOTENAY INSURANCE SERVICES LTD.250-368-9174
www.kootenayinsurance.ca

RHC INSURANCE BROKERS LTD.
Trail Office.....250-364-1285
Rossland Office 250-362-7337
www.rhcmc.com

SALSMAN INSURANCE AGENCY LTD..... 250-364-1515

WHITLOCK INSURANCE SERVICES LTD..... 250-368-9188

ZONING QUESTIONS AND BUSINESS LICENSING

CITY OF TRAIL 250-364-1262
www.trail.ca

CITY OF ROSSLAND250-362-7396
www.rossland.ca

REGIONAL DISTRICT OF KOOTENAY BOUNDARY 250-368-914
www.rdkb.com

VILLAGE OF FRUITVALE..... 250-367-7551
www.village.fruitvale.bc.ca

VILLAGE OF MONTROSE 250-367-7234
www.village.montrose.bc.ca

VILLAGE OF WARFIELD 250-368-8202
www.warfield.ca

UTILITIES

GAS / ELECTRICITY, FORTIS BC

www.fortisbc.com

Natural gas inquiries 1-888-224-2710

Electricity inquiries 1-866-436-7847

CHAMBERS OF COMMERCE

TRAIL 250-368-3144

www.trailchamber.bc.ca

ROSSLAND 250-362-5666

www.rossland.com/home

Provincial Government Contacts/Web Information

CORPORATE REGISTRY

One Stop Business Registry

www.bcbusinessregistry.ca/introduction/index.htm

Fee Schedule

www.fin.gov.bc.ca/registries/corppg/crfees.htm

Name Approval Request Form

www.fin.gov.bc.ca/registries/Corppg/forms/0708BFill.pdf

Statement of Registration of General Partnership or Sole Proprietorship

www.fin.gov.bc.ca/registries/Corppg/forms/0707FILL.pdf

Dissolution or Change of Partnership or Proprietorship Registration

www.fin.gov.bc.ca/registries/Corppg/forms/0721FILL.pdf

Complete List of Corporate Registry Forms

www.fin.gov.bc.ca/registries/forms.htm#firms

MINISTRY OF ECONOMIC DEVELOPMENT VENTURE CAPITAL PROGRAMS

Equity Capital Budget Program Brochure

www.cse.gov.bc.ca/MIT/SBIIO/VCP/ECP/Documents/ICB_Guidelines.pdf

Other Venture Capital Programs

www.cse.gov.bc.ca/TRI/ICP/VCP/Pages/default.aspx

MINISTRY OF FINANCE

Provincial business information applies to corporations, small businesses, home offices, trades, and people who are self-employed.

www.sbr.gov.bc.ca/business.html

MINISTRY OF LABOUR AND CITIZENS' SERVICES EMPLOYMENT STANDARDS BRANCH

General Inquiries1-800-663-7867

www.labour.gov.bc.ca/esb/

Employment Standards Act

www.qp.gov.bc.ca/statreg/stat/E/96113_01.htm

Guide to the Employment Standards Act

www.labour.gov.bc.ca/esb/esaguide/

Employment Standards Regulation
www.qp.gov.bc.ca/statreg/reg/E/EmployStand/396_95.htm

SERVICE BC

TRAIL250-364-0591
www.servicebc.gov.bc.ca

SMALL BUSINESS BC

General Inquiries 1-800-667-2272
www.smallbusinessbc.ca/

Small Business Profile 2010
www.smallbusinessbc.ca/products-and-services/free-resources/bc-small-business-profile-2010

WORKSAFE BC

Employer and Small Business Centre..... 1-888-922-2768

Employer and Small Business Centre General Information
www.worksafebc.com/employers_and_small_business/default.asp

Small Business Primer – A Guide to WorkSafe BC
www.worksafebc.com/publications/how_to_work_with_the_wcb/Assets/PDF/primer.pdf

Forms for Employers
www.worksafebc.com/forms/default.asp

Claims Review and Appeal Guide for Employers
www.worksafebc.com/publications/how_to_work_with_the_wcb/Assets/PDF/appeal_employers.pdf

Hire A Worker Program – Hiring Assistance for B.C. Employers
www.worksafebc.com/publications/how_to_work_with_the_wcb/Assets/PDF/hire_a_worker.pdf

Federal Government Contacts/Web Information

CANADA REVENUE AGENCY

Business and Self Employment Inquiries 1-800-959-5525
www.cra-arc.gc.ca

Business Number Registration

www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/menu-eng.html

Business Registration Online

www.cra-arc.gc.ca/tx/bsnss/tpcs/bn-ne/bro-ide/menu-eng.html

Business Consent Form

www.cra-arc.gc.ca/E/pbg/tf/rc59/README.html

Payroll Deductions Online Calculator

www.cra-arc.gc.ca/esrvc-srvce/tx/bsnss/pdoc-eng.html

CANADA BUSINESS (Federal Services for Entrepreneurs)

General Inquiries 1-888-576-4444

www.canadabusiness.ca

Home-Based Business

www.canadabusiness.ca/eng/guide/2031/

Home-Based Business Manual for Success (2002) (BC and Federal Government)

www.cse.gov.bc.ca/ReportsPublications/publications/hbb2000.pdf

CANADIAN YOUTH BUSINESS FOUNDATION (Youth Entrepreneurship – Federal)

Entrepreneur Contact..... 1-800-464-2923 ext. 2118

www.cybf.ca

INDUSTRY CANADA – FEDERAL INCORPORATION

General Information

www.ic.gc.ca/epic/site/cd-dgc.nsf/en/h_cs01914e.html

Forms

www.ic.gc.ca/eic/site/cd-dgc.nsf/eng/h_cs02140.html

SERVICE CANADA

Services for Starting a Business

www.servicecanada.gc.ca/en/subjects/business/index.shtml

WESTERN ECONOMIC DIVERSIFICATION CANADA

General Inquiries888-338-9378

Services for Businesses

www.wd.gc.ca/eng/17.asp